MULTIMEDIA UNIVERSITY

STUDENT IDENTIFICATION NO

MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 3, 2016/2017

UCS 2612 – CONSUMER LAW

(All Sections / Groups)

1 JUNE 2017

Reading Time: 9:00 a.m – 9:15 a.m
(15 Minutes)
Answering Time: 9:15 a.m – 12:15 p.m
(3 Hours)

INSTRUCTIONS TO STUDENT

1. Students will have **fifteen minutes** during which they may read the paper and make rough notes ONLY in their question paper. Students then have the remaining **THREE HOURS** in which to answer the questions.

2. This Question paper consists of 4 pages, with 5 Questions only.

3. Attempt question 1 in Part A which is **compulsory** and any **THREE** out of **FOUR** questions in Part B.

4. Students are not allowed to bring in any statutes into the Examination Hall.

5. Please write all your answers in the Answer Booklet provided.

SECTION A (COMPULSORY) (40 MARKS)
QUESTION 1

Greg saw an advertisement in the MM Daily by a giant telecommunications provider, Cheatel that is offering an extremely attractive postpaid package called Gempak Plan which promises unlimited internet data, with unlimited call time as well as with unlimited SMS for only RM30 per month. Attracted to the advertisement, Greg quickly went to the nearest Cheatel branch in his neighbourhood and enquires about the package offered by Cheatel. The customer service officer, Mamat told Greg that the package is out of stock due to huge demands. He later said that, the package is basically not as good as it was advertised, since there are a lot of hidden charges outside of the promised RM30 per month. Instead, Mamat advises Greg to take another package named Tipu Plan, which basically offers the same benefit but at additional cost of RM50 per month. Mamat also added that the new package is more expensive than the previous one since it's using a new technology from the United States which promises better internet connectivity compared to the Gempak package and he also assured a 1tb Thumbdrive as a free gift upon Greg's registration. Hearing that, Greg, who was initially reluctant to sign up, had agreed to subscribe to Cheatel's Tipu package. Upon Greg's sign-up, Mamat went to the Cheatel's storeroom looking for the thumbdrive to give Greg as he promised a free gift. However he later informed Greg that the thumbdrive is currently out of stock and promised Greg to send it to him through a courier later. For the first three days, the service seems to be working well. Soon after that, Greg realizes that the service have somewhat became poorer; the connectivity of the internet is always interrupted, the voice call is not clear, and SMS from his friends never reached him. In addition to that, even after 2 weeks, he is still waiting for the free thumbdrive promised by Mamat!.

Greg called Cheatel's customer service centre and informed them about the service interruptions that he is facing. The customer service officer however calmly explains that the interruption is just temporary, since the company is in the process of upgrading the Tipu plan. The officer also promised a 50% discount to be given to Greg's first bill, as a compensation for his difficulties. Hearing that, Greg accepts the company's excuse. Later on by chance, he read an article in a magazine, suggested that Cheatel is basically using an inferior technology, even though it is true that the company used technology registered in the United States but the technology basically originates from China. In the article, it was also revealed that the alleged RM30 Gempak Plan was basically Cheatel's marketing strategy, as they are using it to allure customers to purchase another package, Tipu Plan. Despite reading this, Greg chooses not to take these allegations seriously. He still believes that the service interruption is just temporary as informed by the Cheatel's customer service officer.

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At the end of the month, Greg received his first bill, where to his shock amounted to RM150. This time around he went straight to Mamat at the Chetatel's branch and he addressed his concerned. Mamat calmly replied that its Greg fault's for not reading the package pamphlets cautiously, since it is stated that there will be additional charges to be applied upon usage. Greg took out the pamphlet that previously showed by Mamat during his first visit and he noticed that the wordings and pricings of the extra charges were too small and no wonder he missed it! Greg also brought up the promise made by the Cheatel's customer service officer of a 50% discount for his first bill, but Mamat alleged that the officer was misinformed and there is no such policy of the company giving a discount to a customer upon service interruption. Greg wants to terminate Cheatel's service, but it is not possible since he is bonded by contract with the company. In the meantime, Greg is also unsure on what is the correct forum for dispute resolution to address his problem at hand.

Advise Greg.

(Total: 40 marks)

SECTION B: Answer Any Three out of Four questions. (60 marks)
QUESTION 2

"**Section 23(1) of the Consumer Protection Act 1999** is a general provision empowering the Minister, on the recommendation of the Controller of Consumer Affairs, to declare any goods or any class of goods to be prohibited where they have caused or likely to cause injury to any persons or property or are otherwise unsafe"

(a) Based on the statement above, explain the actions that can be taken by the Controller of Consumer Affairs against unsafe goods;

(10 marks)

(b) Explain the Penalties available against the offender who deliberately ignored the order made by the Minister, as well as general defences available to a defendant against such order.

(10 marks)

(Total: 20 marks)

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QUESTION 3

2nd Lieutenant Gunny, an Officer in the Royal Malaysian Army based in Kuching Sarawak was just promoted to full Lieutenant recently. In conjunction to securing his promotion, he was ordered to transfer to a new army base in Kuala Terengganu. Thus, he had contacted Angkat Barang Co., a moving company to arrange the transport of his belongings. His phone call was picked up by Salim, a manager of Angkat Barang Co., and the company delightfully accepted the job to move the goods. In addition to that, Salim had also promised Gunny that all of his belongings, including his motorcycle will be delivered within 3 days to the assigned destination safely. Furthermore, as part of celebrating the company's first anniversary, they also agreed to pack all Gunny's things for free. Lieutenant Gunny happily agreed to enter the contract with Angkat Barang Co. and later on flew to Kuala Terengganu since he was required to report for duty at his new base as soon as possible.

Unfortunately, after 3 days of waiting, Lieutenant Gunny's belongings are yet to be delivered to him by the company. He contacted the company as to inquire the status of his belongings, but the company kept telling him that the person in charge, Salim is either unavailable or is on leave. After countless of phone calls, finally, after 3 weeks, Lieutenant Gunny's belongings is finally arrived. Nevertheless, to his shock, he saw a lot of damage done to his goods; for instance there was a scratch on his motorcycle, his dining table was broken, and his expensive vase had been severely damaged. He later on phoned and asked Salim for compensation, but Salim had denied the liability of his company against the damage, and instead plead that the goods were already damaged before it was packed by the company. In addition to that, Salim also asked Gunny to pay RM10000 for the company's service, which is far more expensive than a reasonable price in the market.

Advise Gunny in the light of implied guarantees in respect of supply of services.

(Total: 20 marks)

QUESTION 4

Critically explain the concept and the development of Product Liability law in Malaysia, as well as defences available to the seller as mentioned in **s.72(1) of the Consumer Protection Act 1999** against the said liability

(Total: 20 marks)

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QUESTION 5

Explain the procedures of filing and registration of case in the Tribunal for Consumer Claims.

(Total: 20 marks)

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